

## ***Company Overview and Value Proposition***

Debate it Forward (DIF) uses debate to teach young people skills for self-advocacy, analytical reasoning, and respectful disagreement. Our 501(c)(3) not-for-profit organization focuses on student segments that are traditionally overlooked by academically rigorous extracurricular programming: young students (ages 6-14), students with diagnosed learning and developmental differences, students of low income, and students in juvenile detention. Pilot programs have shown a high degree of success, resulting in high demand for our services. We served 185 students in year one and are ~ tripling this number in year two.

DIF leverages college campuses as hubs for its teachers and students. College students undergo an intensive training and apprenticeship program before serving as lead teachers. As shown by our rapid growth, this structure is easily scalable and cost-efficient. With small investments, DIF can reach hundreds and then thousands of children while simultaneously providing valuable skills and teaching experience to college students. Our experience shows that there is a substantial, unmet need for high-quality programs at low cost for our target students. With a ready pool of enthusiastic and talented teachers –and a proven curriculum – DIF is meeting this need and growing quickly.

## ***Customers***

### *Market Research*

The after-school market is large and thriving, producing over \$22 billion of revenue in 2016.<sup>1</sup> This trend is increasing; in 2015, parents spent \$739 per student on after school programming, a 7% increase over 2014.<sup>2</sup> Parents and educational leaders are more than willing to pay for high-quality, educational, afterschool programming to keep their children productive but also to enhance their social and cognitive development.

Given DIF's model of hiring college students to teach the curriculum, we target elementary and middle schools that are located within a few miles of the college campus. In Chicago alone, there are over 130 elementary and middle schools near a college campuses. DIF has identified the initial expansion sites: DePaul University, Loyola University Chicago, Northwestern University, University of Chicago, and University of Illinois at Chicago. Of the nearby elementary and middle schools, 60% are public. The other 40% of potential partner schools are high-income private schools, parochial schools, or specialty schools for differently-abled students. Examining the next 20 regional

---

<sup>1</sup> IBIS World

<sup>2</sup> Time Money

and national possible expansion sites, there are an additional 360 prospective partner elementary/middle schools. However, we will not only be limited to working in elementary/middle schools that are 2-3 miles from a campus. Through licensing the curriculum, DIF will further expand its market from the almost 500 elementary and middle schools in the immediate vicinity of DIF's first 25 expansion college campuses to the 92,000 (22,000 private and 70,000 public) K-8 schools in America. Our expansion plan elucidates this roll-out.

### *Customer Segments*

DIF has a number of critical stakeholders. Parents make decisions about activities for their children's' afterschool activities and camps. Teachers are allies because they offer access to students and identify those who would benefit from DIF. School administrators are important because they offer access to their schools and also may allocate budget to DIF. DIF works with multiple different customer segments, utilizing different marketing strategies:

- Low-income schools typically have few afterschool program options. Here, DIF has been immensely successful working with the administration and other nonprofit partners. Together, we have created an infrastructure, e.g. creating communication channels with school personnel and parents and advertising.
- High-income (often private) already have robust extracurricular programs. Even though DIF has less flexibility here, they have been overwhelmingly favorable to our offering, allowing us to utilize their preexisting infrastructure (for distributing marketing materials, invoicing, etc.).
- At special needs schools, DIF currently works with students with Autism, verbal processing disorders, ADHD, and Dyslexia. Here, we have successfully adapted curricula to focus on skills unique to these populations. These schools usually have existing structure for afterschool programs.
- We have approval to launch (Spring, 2018) DIF at a Juvenile Detention Center; here, we will continue to leverage our model of close communication with their team, customizing our curriculum to students' needs.

### *Competition*

DIF has a unique niche for the aforementioned targets. However, there are existing debate programs, the largest being the Chicago Debate League (CDL). The CDL serves about 1,300 public school students annually and receives approximately 50% of its funding from Chicago Public Schools and 50% from fundraising. They focus on competitive debate, sponsoring ~30 annual tournaments.

DIF differs from CDL in two important ways. First, 88% of CDL student are in public high schools and we target a younger demographic. Our spaces are significantly less crowded and because our curriculum is vastly different, it would be exceedingly difficult for CDL to expand into our segments. We predominantly use a non-competitive format; testimonials and feedback demonstrate that families prefer our collaborative and game-based approach, rather than a competitive forum. The second difference is that DIF's financing structure allows us the flexibility to expand based on need. We use program income to support over two-thirds of our costs, while still offering large numbers of scholarships. With few high-cost tournaments and our low expense model, we can grow based on our need. Our forecast suggests that we will surpass the number of students served by the CDL in year four.

DIF does face two potential challenges from CDL. First, their longevity has allowed them to conduct research on their program's impact, showing an academic benefit. Given our early stage, we have not yet conducted longitudinal research. However, our self-reports and qualitative research uniformly attests to cognitive and socio-emotional benefits. Parent, student, and school personnel surveys all demonstrate salutary effects from DIF participation. This year, school administrators are enabling us to add a control group, thereby helping us show a causal link between DIF and enhanced cognitive and pro-social behavior. To further our credibility and guide us, we are in the process of recruiting a PhD candidate at UChicago to conduct "peer review quality" evaluation research.

The second challenge is that, because our DIF instructors are college students, they only teach for a maximum of 4 years. Additional information is provided in the operations section, but we offer above-average compensation, referral bonuses, and draw from a selective pool of applicants to ensure quality. Through producing a high-quality experience, DIF has begun to create a brand name for itself. Despite the competition, our unique approach towards teaching a collaborative style of debate, focusing on our unique populations, and maintaining a low-cost structure allows DIF to continue to carve out a larger share in the Chicago debate market.

### ***Intellectual Property***

In the summer of 2017, DIF finalized its original curriculum, protecting it as an original work of authorship. DIF is currently working with an independent law-firm (pro-bono) to trademark the name Debate it Forward and copyright the 197 activities constituting over 88 lesson plans and over 50 hours of programming. DIF has already

completed the majority of the groundwork to clear our intellectual property. To protect our IP, staff also signs non-disclosure agreements.

### ***Customer Engagement***

Initially, we reached out to school administrators to form partnerships; but as our brand has begun to develop, schools are now soliciting DIF to launch in their schools. In October, we received two inquiries requesting that DIF launch at two new schools. Mitchell Elementary contacted us after multiple parents independently implored the principal, because their children attended camp and loved it. Not only do we form partnerships with schools but with relevant organizations as well; DIF has partnered with the Chicago YMCA, which serves over 69,000 students annually. The YMCA will place DIF at its partner schools and will fund its own programs, to ensure a sustainable partnership. Additionally, DIF has secured a partnership with Communities in Schools—Chicago (CIS-C), which serves over 50,000 students in Chicago. CIS-C will also place debate programs in their partners schools and while they cannot directly fundraise, they are assisting with grant writing efforts.

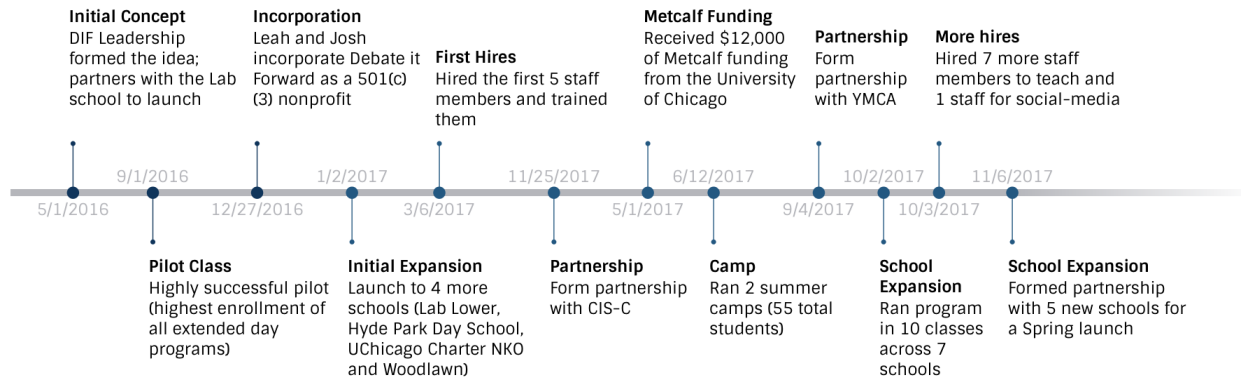
We value customer feedback and engagement to improve and course correct. All DIF teachers send out weekly updates to families that include key takeaways so families can continue the lessons at home. Additionally, our polling shows that 88% of parents observed an increase in their child's critical thinking and public speaking skills with 79% seeing an increase in research skills. 100% of administrators said they were fully satisfied with the program. DIF has received a 9.3/10 in terms of total satisfaction, in addition to a 100% response rate of parents saying they would re-enroll their student in the program and would recommend to a friend. Following is a representative comment from one parent: "We had no idea what to expect, but from the first day we knew it was special. Our kids came home each day excited to share what they'd learned, and looked forward to each subsequent day's activities. The format of the camp is brilliant--morning field trips to provide the context of the day's debate topic, followed by innovative games/exercises to build confidence and skills for successful persuasion, and then...actual debates... We are so grateful for the experience, and look forward to next year!"

Furthermore, DIF has been featured in Crain's Business Magazine (Summer, 2017) and the University of Chicago Magazine (Fall, 2017), reaching hundreds of thousands of people. With an active Instagram, Facebook, and

Twitter presence, DIF regularly communicates with customers, and possible collaborators. We have an employee dedicated to our social-media, publicizing our news and engaging families through our Debater of the Week segments.

***Progress to Date and Operations***

Below is a snapshot of key milestones we’ve accomplished thus far:



As mentioned, DIF operates by hiring college students to teach the debate curriculum in surrounding elementary and middle schools. Debate it Forward’s comprehensive curriculum enables the DIF teachers to implement our curriculum generally and adapt it based on the needs of a given population. Not only is it customized for different populations but we use a launch-listen-adapt model based on consumer feedback—students rate the activities and give feedback and then we use student feedback to improve the activity.

***Regional Penetration***

DIF is pursuing two distinct methods to ensure our operations are scalable and sustainable. The first is the expansion of current operations using a regional penetration strategy, expanding its programming to additional college campuses and subsequently, to more elementary and middle schools. DIF will replicate the method used at UChicago by identifying anchor universities and partnering with university structures and organizations (e.g. education cohorts or current debate teams) to identify individuals who will succeed as a DIF teacher.

At scale, DIF will employ a Regional Director (a full-time employee in charge of overseeing 4-5 college campuses). Their roles will include ensuring quality measurements are in place (conduct program evaluations, acquire feedback from partners, and oversee staff training), establishing new partner schools, and maintaining relationships

with current school partners. In Chicago, Leah and Josh (co-founders) will act as Regional Managers but will later hire a full-time employee for this role at a starting salary of \$40,000. The ideal candidate for this job is someone with 2-3 years of professional experience in education and people management. Below is a snapshot of this hierarchy:



This expansion is already underway. DIF has secured an agreement with the Dean of Education at DePaul University to launch next Fall (2018). After the model has been tested and improved, DIF will expand it to other universities regionally and then nationally. As we've already incurred initial development costs, our model achieves future expense efficiencies because of our streamlined curriculum, integrated and thorough systems of hiring and training. This model of expansion relies on a per-unit profitability, already exhibited at the University of Chicago.

### *Teach the Teacher*

DIF will scale its impact and increase revenue by licensing its proprietary curriculum to additional school systems by launching its "Teachers Train Teachers" model, likely priced at ~\$200/class with variation to compensate for high-need schools.<sup>3</sup> After initial development costs, at scale, the per-unit cost of licensing the DIF curriculum will significantly decrease. This licensing program will also plant seeds in other regions and achieve a national presence that sets DIF to have greater success in subsequent regional expansion. DIF is already piloting this model with two schools, one in Minnesota and one in California. In the Aspire Charter (California), DIF has waived a licensing fee in exchange for the teacher filming the lesson and sending it to DIF leadership to assess how it was implemented. DIF has also developed a partnership with the YMCA that will assist in developing an effective Train the Trainers Model, which will enable us to develop this licensable curriculum more rapidly.

---

<sup>3</sup> In a search of pricing of similar products, a single, annual license cost \$360 on average. As we gain more data on the effectiveness of our licensing the curriculum, the price will change to reflect that as well

## *Financials and Projections*

DIF currently generates revenue in two ways: external fundraising to support general operations, and per product pricing that varies by customer segment and ability to pay.

### External fundraising

Thus far, we've raised approximately \$20,000 from individuals and an additional \$27,000 from the University of Chicago in the form of Metcalf internship funding. We anticipate our philanthropic methods deriving from three areas: high net worth individuals (most likely alumni of the universities we partner with), corporate sponsors (most likely law firms) and foundations (once our budget is larger).

### Per Product Pricing

In afterschool programs, we charge the parents on a sliding scale from \$0-\$200 (per ten-week session). In these programs, our profit margin varies; our highest-margin school has a 93% profit margin (netting \$6,550), and our lowest-margin school has a 28% loss, (losing \$100). In school day programs, we charge the school directly at a rate of \$900 for a ten-week session, with a profit margin of about 50%. In our summer camps, we charge \$400 for a week-long session but we anticipate awarding scholarships to about half of the students. As our program grows in popularity, we will raise the price of camp to \$500.

Please see the chart below for details regarding our progress and projections.

METRIC NAME	Year 1 (Jan 2017-June 2017)	Year 2 actuals (July 2017 - Dec 2017)	Year 2 (Jan 2018-June 2018)	Year 3	Year 4	Year 5
Donations	\$10,385.00	\$6,675.00	\$15,000.00	\$30,000.00	\$35,000.00	\$40,000.00
Grants/Competitions	\$0.00	\$0.00	\$10,000.00	\$30,000.00	\$40,000.00	\$75,000.00
Extracurricular program	\$11,200.00	\$13,000.00	\$37,000.00	\$69,000.00	\$130,000.00	\$200,000.00
Curricular day program	\$0.00	\$600.00	\$5,400.00	\$12,100.00	\$22,000.00	\$40,000.00
Curriculum licenses	\$0.00	\$0.00	\$0.00	\$500.00	\$3,000.00	\$7,500.00
Content purchases	\$0.00	\$0.00	\$200.00	\$500.00	\$600.00	\$1,500.00
Summer camp fees	\$6,300.00	\$4,500.00	\$17,000.00	\$35,000.00	\$50,000.00	\$80,000.00
REVENUES	\$27,885.00	\$24,775.00	\$84,600.00	\$177,100.00	\$280,600.00	\$444,000.00
Labor	\$11,000.00	\$12,035.00	\$22,000.00	\$79,000.00	\$181,000.00	\$296,100.00
Supplies and materials	\$1,500.00	\$1,943.00	\$16,250.00	\$33,500.00	\$57,600.00	\$57,600.00
Facilities	\$0.00	\$0.00	\$0.00	\$7,000.00	\$15,000.00	\$15,000.00
Professional services;	\$1,475.00	\$1,031.00	\$2,250.00	\$5,000.00	\$10,000.00	\$10,000.00
Marketing	\$0.00	\$2,492.00	\$2,500.00	\$7,500.00	\$7,500.00	\$10,000.00
EXPENSES	\$13,975.00	\$17,501.00	\$43,000.00	\$132,000.00	\$271,100.00	\$388,700.00
OPERATING PROFIT	\$13,910.00	\$7,274.00	\$41,600.00	\$45,100.00	\$9,500.00	\$55,300.00

## *Management Team*

**Leah Shapiro, the CEO and co-founder** of DIF is a fourth year at UChicago and is studying Comparative Human Development. She has 11+ years of experience with debate, joining her high school's team when she was in

the sixth grade and graduating high school as the 3<sup>rd</sup> best debater nationally. She's interned at the Children's Research Triangle and La Casa Norte, where she worked in program management and evaluation. Her debate experience, passion for education, and vision for the future of the organization has been the engine that has and will propel DIF.

**Josh Aaronson, the COO and co-founder** of DIF, is a third year at UChicago, majoring in economics. In a gap year after high school, Josh worked at City Year where he served as a Title I, middle school teacher, developing and hosting tutoring sessions with students to reduce absenteeism and increase college readiness. He serves on an executive team at the world's largest Model UN competition (over 5,000 participants annually) and mentors high schoolers in finance and entrepreneurship. Josh brings his teaching and finance experience to ensure DIF is financially solvent and to maintain the high quality of the organization and its numerous programs. Both Leah and Josh will work at DIF fulltime after graduating.

Assisting in the operations of DIF is a diversely talented Board of Directors. The Board consists of:

**-Andy Tousignant, President:** Director of the University of Chicago Careers in Education Professions. Andy brings his years of experience in both the non-profit and for-profit sectors to ensure DIF is mission oriented and financially sustainable.

**-Adrienne Hiegel:** Senior Director of Operations at the Respiratory Health Association. Adrienne brings years of non-profit experience, including over two years as the Deputy Chief Performance Officer of Chicago Public Schools.

**-Sara Stoelinga:** Director of the Urban Education Institute. Sara leads UEI's operations and growth strategy.

**-Kristin Barrett:** Senior Director of the Polsky Exchange. Kristin has extensive entrepreneurship experience.

**-Catherine Tarsney:** Project Manager at 270 Strategies. Catherine has expertise as a non-profit strategy consultant.

**-Alison Conlon:** Circuit Judge in Cook County. Alison brings her legal expertise to ensure DIF maintains legal compliance.

**-Geoffrey Stone:** University of Chicago Law Professor. Brings a high-leverage and wide spread network.

### ***Business Risks***

We see two primary business risks: scalability and quality control. We've already addressed scalability concerns therefore showing that our model is scalable, but in terms of quality control, we maintain a variety of systems to ensure our quality does not suffer as we expand. All teacher candidates have an in-person interview as well as a field



interview. If approved, the candidate then signs a contract and NDA, hiring them for a ten-week training program consisting of 15 hours of in-class shadowing, three hours of onboard training, and two hours of curricular development. Each candidate must also undergo mandated reporter training, CPR training, and a background check. After completing training, a candidate's performance is reviewed and they will either be hired back as a teacher or let go. By paying the teacher a highly competitive wage, DIF attracts a strong pool of candidates, enabling us to be selective with hires. Once viable teachers have been identified, the Regional Manager will oversee training and will appoint one teacher to be the Campus Manager who will assist in the day-to-day operations. The thorough training trial period for newly recruited teachers will allow the Regional Manager to determine a teacher's suitability as an additional measure of quality control.

### ***Business Analogues***

As a 501(c)(3) non-profit, DIF is looking to grow organically on a large scale. DIF is similar to Moneythink, a financial literacy tutoring organization that also originated at the University of Chicago and utilizes college campuses as hubs. A runner-up in the Social New Venture Challenge in 2012, Moneythink has been highly successful, having successfully raised \$6 million and with chapters at 26 different universities.

Another successful analogue is Global Citizens, an organization that utilizes college students to increase civic knowledge of middle and high school students. Since 2008, Global Citizens has grown to partner with 29 universities in six locations serving over 11,000 students annually. In 2016-2017, Global Citizens successfully raised over \$2.5 million.